



Public Health Law

Office for State, Tribal, Local and Territorial Support
Centers for Disease Control and Prevention

Social Impact Bonds: A Research Anthology

Social impact bonds (SIBs) are pay-for-success arrangements that can be used to address a variety of public health issues, ranging from asthma to infant mortality. SIBs are used as financing mechanisms to raise upfront funding from private investors for social and public health preventative interventions. They function by leveraging the anticipated savings of prevention as a source for potential financial rewards for the intervention's investors. In a SIB arrangement, rewards are due if and only if the intervention succeeds in reaching predetermined benchmarks, thereby shifting the financial burden of success to the investors. Since the world's first SIB launched in 2010, SIBs have been discussed as a way to raise funds for public health initiatives.

The Public Health Law Program prepared [Public Health Law and Policy Innovations: Social Impact Bonds](#), an issue brief introducing the SIB financing model.

The following articles and resources were collected through April 2014 using online databases and resources, including WestlawNext™ for legal publications. No material created before 2010 (the year the world's first SIB started) was collected. The results were narrowed to those resources included here on the basis of their relevance to public health, law, and policy in states, tribes, localities, and territories. Articles were also selected to account for the different perspectives, roles, and responsibilities of parties involved in SIBs, existing and potential applications of SIBs, and issues raised by SIBs. Given that SIBs are new instruments that are still being studied and explored, this anthology should not be considered to be exhaustive.

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General

- The following reports describe the SIB model generally and outline how it is being used to address social and public health initiatives:
 - [A New Tool for Scaling Impact: How Social Impact Bonds Can Mobilize Private Capital to Advance Social Good](#)
SOCIAL FINANCE (2012).
 - [Social Impact Bonds](#)
Jeffrey B. Liebman, CENTER FOR AMERICAN PROGRESS (February 2011).
- [From Potential to Action: Bringing Social Impact Bonds to the U.S.](#)
Laura Callanan, et al., MCKINSEY & COMPANY (May 2012).
Market analysis to assess the viability of SIBs in the United States. It looks at the required elements for an active SIB market and whether those elements exist in the United States.
- [Pay for Success Financing](#)
9 COMMUNITY DEVELOPMENT INVESTMENT REVIEW 1, 1–137, (Ian Galloway ed. 2013)
This issue of the *Federal Reserve Bank of San Francisco's Community Development Investment Review* contains more than twenty articles discussing pay-for-success programs and SIBs. The articles provide a comprehensive discussion of pay-for-success arrangements, including background information on SIBs, roles and responsibilities in an SIB program, and specific applications of SIBs.

Public Health Applications

- [Social Impact Bond South Carolina Case Study](#)
John Supra, SOUTH CAROLINA HEALTHY CONNECTIONS (March 2014).
Outlines South Carolina's efforts to improve early childhood outcomes using SIBs.
- [Pay for Success Financing for Early Childhood Programs: A Path Forward, Institute for Child Success](#)
Megan Golden, et al., Institute for Child Success (January 2014).
Outlines the feasibility of using a SIB model to improve early childhood outcomes.
- [Planning of a Social Impact Bond to Reduce Development of Type 2 Diabetes in High-Risk Pre-Diabetics: Presentation to the Social Impact Investment Taskforce Established by the G8](#)
Ophir Samson, SOCIAL FINANCE ISRAEL (December 2013).
Proposes using SIBs to address type II diabetes.
- [Impact Investing in Sources of Health](#)
Maria Hernandez, et al., COLLECTIVE HEALTH, LLC (2012).
Discusses the use of privately-backed markets for impact investments with the aim to improve population health and outlines a SIB pilot that address asthma-related emergencies in Fresno, California.

Social Impact Bond Contract Example

- [New York State Contract Released: Discover the details of nation's first state-led SIB, "Employment to Break the Cycle of Recidivism"](#)
SOCIAL FINANCE (Mar. 2014).
New York State released the contract it used for the first state-led SIB in the United States. The terms of that contract, as well as background information, are described in this article.

Technical Guides

General

- [A Technical Guide to Developing Social Impact Bonds](#)
Lisa Barclay & Tom Symons, SOCIAL FINANCE (January 2013).
General technical guide for parties interested in developing a SIB.

Service Providers

- [Social Impact Bond Technical Guide for Service Providers](#)
Ivy So & Adam Jagelewski, MARS Centre for Impact Investing (November 2013).
Organizations that provide social services have a unique perspective in a SIB structure. This technical guide is for service providers interested in SIBs.

State and Local Governments

- [Social Impact Bonds: A Guide for State and Local Governments](#)
Jeffrey Liebman & Alina Sellman, HARVARD KENNEDY SCHOOL SOCIAL IMPACT BOND TECHNICAL ASSISTANCE LAB (June 2013).
Governments face unique challenges in backing a SIB program. This technical guide is intended for state and local governments interested in developing SIB programs.

Investors

- [Building a Healthy & Sustainable Social Impact Bond Market: The Investor Landscape](#)
Steven Godeke & Lyel Resner, GODEKE CONSULTING (2012).
Attracting sufficient investment is crucial to the success of any SIB program. This report describes findings and analysis from a survey of SIB investors. It outlines best practices and lessons learned from both philanthropic and commercial investors.
- [Foundations for Social Impact Bonds](#)
Jane Hughes & Jill Scherer, SOCIAL FINANCE (2014).
Many early SIBs have relied on support from philanthropic institutions to help secure upfront cost. This white paper describes the role philanthropic institutions and foundations have played in the developing SIB market.

Law Reviews

- The following law reviews discuss the use of SIBs to accelerate global development:
 - [Globalizing Social Finance: How Social Impact Bonds and Social Impact Performance Guarantees Can Scale Development](#)
Deborah Burand, 9 N.Y.U. J. L. & Bus. 447 (2013).
 - [Second Thoughts on Social Impact Bonds](#)
Ana Demel, 9 N.Y.U. J. L. & Bus. 503, 504 (2013).
- [Effecting Progress: Using Social Impact Bonds to Finance Social Services](#)
Rebecca Leventhal, 9 N.Y.U. J. L. & Bus. 511 (2013).
General description of SIBs, including a discussion of the different risk categories involved with operating a SIB program.

- [Shaping the Success of Social Impact Bonds in the United States: Lessons Learned from the Privatization of U.S. Prisons](#)
Shifali Baliga, 63 DUKE L.J. 437 (2013).
With a focus on the operation of US prisons, this article contrasts issues associated with traditional privatization strategies with anticipated outcomes associated with the use of SIBs.
- [Privatization's Progeny](#)
Jon D. Michaels, 101 GEO. L.J. 1023 (2013).
In this article describing legal issues associated with alternatives to traditional privatization, the author includes a discussion of the potential efficiency, fiscal, and political benefits of SIB programs.
- [Financing Homelessness Prevention Programs with Social Impact Bonds](#)
Benjamin R. Cox, 31 REV. BANKING & FIN. L. 959 (2012).
Discusses Massachusetts's efforts to combat the social and public health problems associated with chronic homelessness with SIBs and the associated legal issues.